



# NEWS RELEASE

*Office of the  
United States Attorney  
for the  
District of Nebraska*  
**Joe W. Stecher**

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February 13, 2009

United States Attorney Joe Stecher, the United States Trustee's Office and the United States Postal Inspection Service announce the following information for the attention of the media:

**Event Triggering this Release:** Chief United States District Court Judge Joseph F. Bataillon sentenced Phyllis Larsen to twelve months and one day imprisonment and three years of supervised release for her conviction of making false statements in her bankruptcy case.

Larsen filed a Chapter 7 bankruptcy on August 20, 2003. Her schedules listed no assets. During a meeting with the United States Trustee Larsen was asked if any real estate had been transferred or sold prior to the bankruptcy. Larsen responded under oath that none had been transferred or sold.

Later investigation revealed that Larsen had been purchasing a home on a land contract in Anselmo, Nebraska. She had been making payments for several years. Shortly before the bankruptcy filing Larsen paid off the balance due on the contract and received a warranty deed. She then issued a quit claim deed to a relative. Neither her interest in the home nor the transfer to the relative were listed in the bankruptcy documents.

"Making false statements while under oath in a bankruptcy case is not only a violation of the law," stated Nancy J. Gargula, United States Trustee for Missouri, Arkansas and Nebraska (Region 13), "it also undermines the integrity of the system and the public's confidence in that system." Evidence supporting the prosecution of Larsen was obtained in an investigation conducted by the Bankruptcy Fraud Working Group for the District of Nebraska, which includes representatives of the Office of the United States Attorney; Office of the United States Trustee; the Federal Bureau of Investigation; the Internal Revenue Service, Criminal Investigation; and the Postal Inspection Service. The United States Trustee Program is the component of the Justice Department that protects the integrity of the bankruptcy system by overseeing case administration and litigating to enforce the bankruptcy laws.

**Name of Defendant:** Phyllis Ann Larsen

**AKA:**

**Crime(s) Charged and Potential Penalty** (A CHARGE is merely an accusation and every defendant is presumed innocent until and unless proven guilty): Bankruptcy Fraud in violation of 18 U.S.C. §152(3). The statutory maximum penalty is five years of imprisonment and/or a \$250,000 fine, and three years of supervised release.

**Specific Location of Alleged Crime:** Omaha, Nebraska

**Location of Arrest:** A summons was issued in lieu of arrest

**Alleged Dollar Loss/Type and Quantity of Drug:**

**Others Charged in Same Scheme:**

**Relevant Dates:**

**Date of Alleged Crime:** October 14, 2003

**Federal Arrest Date:**

**Date Complaint Issued:**

**Indictment Returned Date:** February 21, 2008

**Initial Appearance Date:** March 19, 2008

**Plea or Trial and Date(s):** November 7, 2008

**Sentencing Date:** February 12, 2009

**Next Court Hearing Type and Date:**

**Assigned Magistrate Judge:** Honorable F.A. Gossett, III

**Held without Bond, or Released from Custody:** released from custody

**In Continuous Custody Since:**

**Assigned District Court Judge:** Honorable Joseph F. Bataillon, Chief Judge

**Initials of Assigned AUSA/Preparer of THIS Release:** DRS